



EXPORT-IMPORT BANK
of the UNITED STATES

Financing
Opportunity
Worldwide

Trade Financing Solutions Russia Presentation

U.S.-Russia Energy
Working Group
April 7-8, 2003



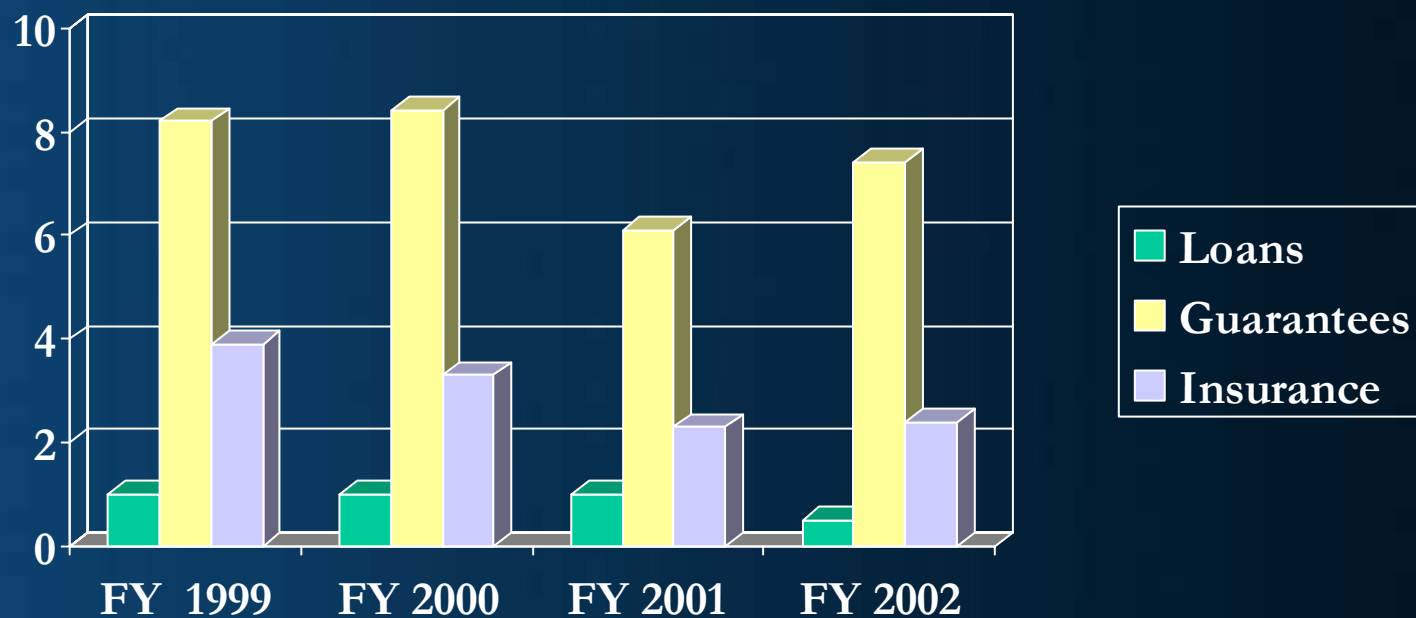
Who We Are — What We Do

- Ex-Im Bank is an independent agency of the United States
 - Established in 1934
 - Headquartered in Washington, DC
 - 6 sales offices

- Mission: Support U.S. exports in order to create and sustain U.S. jobs



Total Authorizations in \$ billions





Coverage in Over 150 Countries

- Ex-Im conducts business in many countries throughout the world (150)
- Sectors
 - Power
 - Telecom
 - Medical
 - Mining

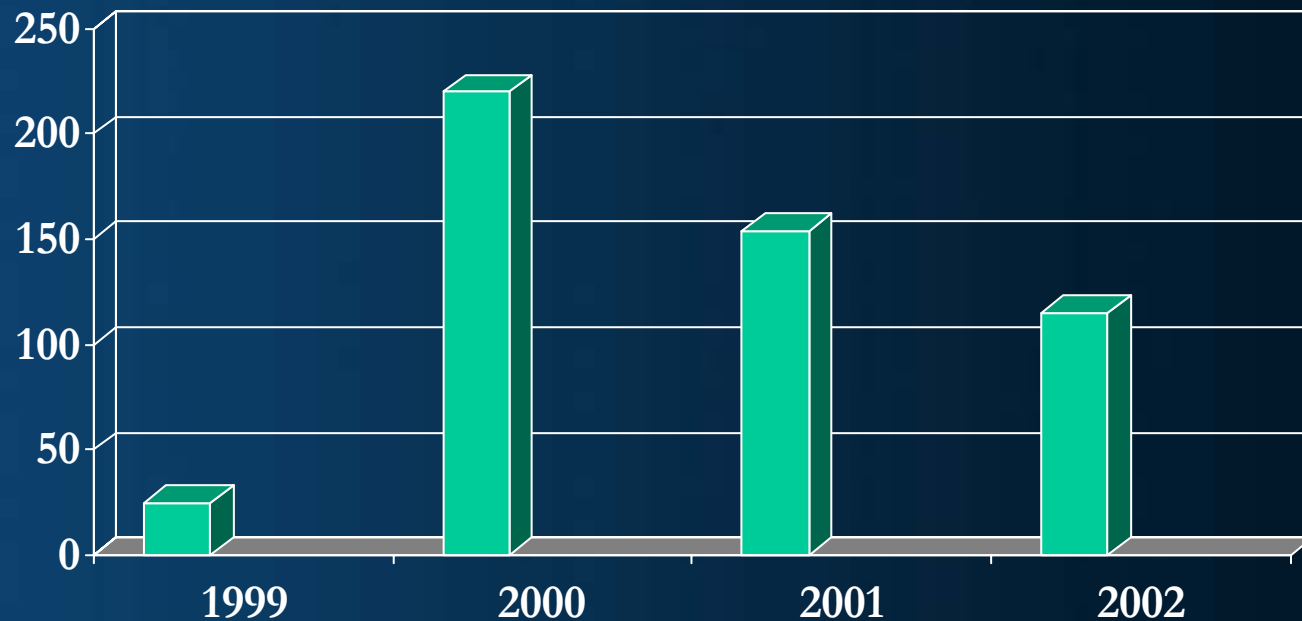


Ex-Im Bank Strategy in Russia





Authorizations in Russia





FY 2002 Authorizations in Russia

- ❑ Ex-Im Bank authorized a total of \$115 million for transactions in Russia
 - \$109 million in medium and long-term guarantees
 - \$6.3 million in medium-term insurance
 - Current total exposure in Russia is \$1.4billion



FY 2003 Authorizations

- Commercial Bank Program – Thus far in FY 2003, sharpest expansion. Projected authorizations will exceed \$150.0 million
- Oil and Gas – several projects in oil and gas sector



Ex-Im Bank Portfolio

➤ Sovereign	➤ 26%
➤ Oil and Gas	➤ 46%
➤ Aircraft	➤ 13%
➤ Mining	➤ 5%
➤ Bank Program	➤ 10%



Recent Update

- Ex-Im Bank is now available to support long-term, public and private sector transactions in Russia
- Expansion of Commercial Bank Program
- Leasing Program



Oil and Gas

- ❑ Oil and Gas Framework Agreement (OGFA) signed 1993
- ❑ \$1.1 billion financed using secured offtake revenues
- ❑ Going forward – positive changes to Russian legislation governing mandatory repatriation of export earnings



Oil and Gas Pending Projects

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- **Sakhalin II (LNG)**

**Application
planned for 2003**



Oil and Gas Projects

- Murmansk
- Nakhodka



U.S. – Russia Commercial Energy Dialogue

- Memoranda of Understanding signed with Yukos, Lukoil and Sibneft in Houston in October 2002
- Balance Sheet lending
- Up to \$100.0 million for each company



EX-IM BANK DEFINITION: Limited Recourse Project Finance

- Greenfield or project expansion
- Repayment of debt from project's cash flows
- No requirement of a direct sovereign guarantee
- No country or project dollar limits

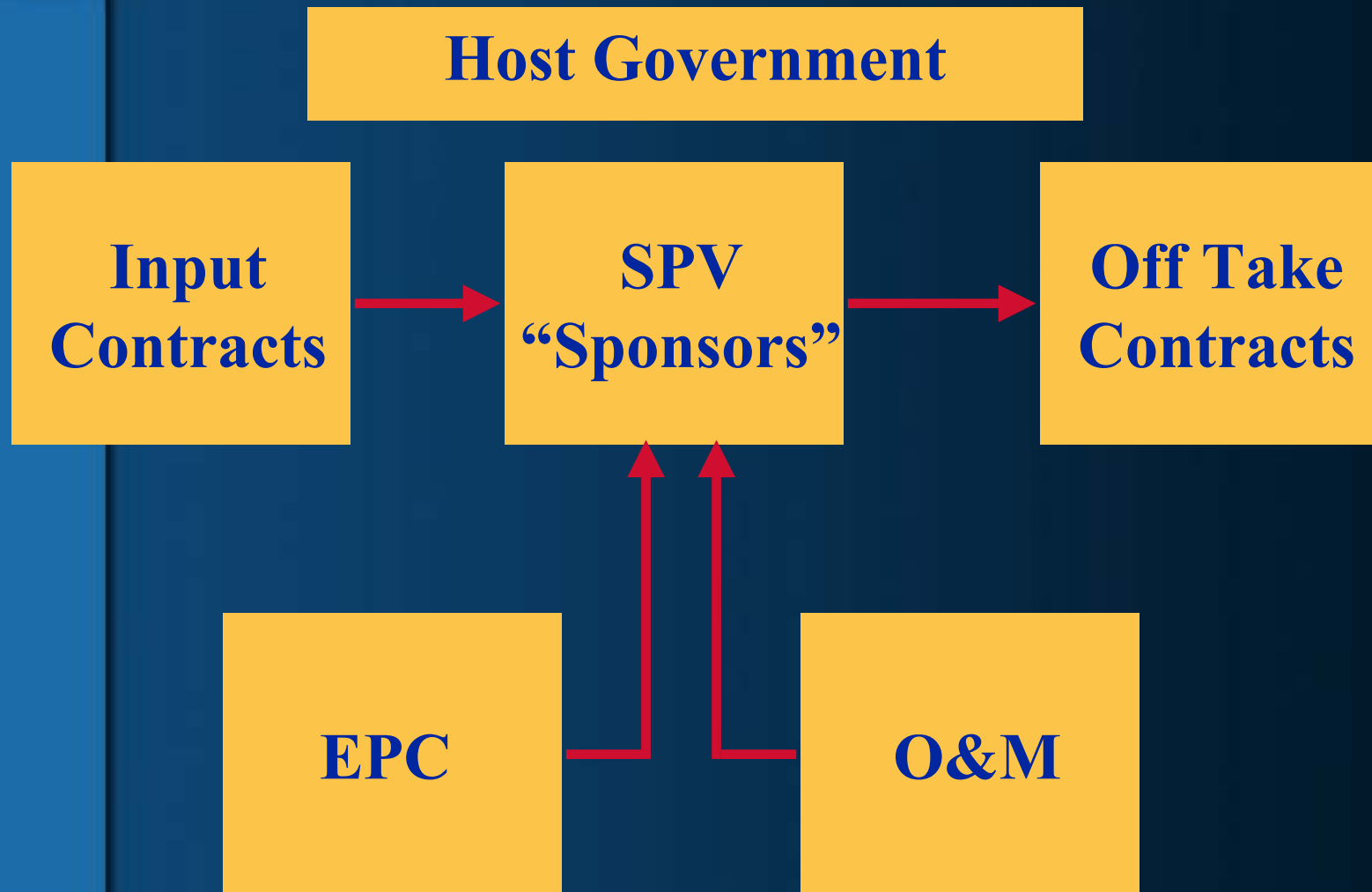


PHILOSOPHY: BALANCED RISK ALLOCATION

- Reasonable assurance of repayment
- Financially viable projects
- Risk Sharing - Mutually acceptable solutions
- Structured through contractual arrangements



PROJECT STRUCTURE





PHILOSOPHY: RISK SHARING

Sponsor Participation

- Long-term investors
- Equity investors must be at risk
- “Real” cash equity investments
- Ex-Im Bank prepared to share the risk



RATING THE RISK

Components of Rating:

- Country conditions
- Offshore currency generation
- Host government commitment
- Legal/regulatory framework
- Quality of contracts
- Risk allocation/owner risk sharing
- Project cost
- Devaluation risk
- Participant ability to perform
- Technical feasibility
- Financial feasibility



FINANCING OPTIONS

- Comprehensive guarantee
- Direct Loan
- Political risk only guarantee



SPECIAL OPTIONS OFFERED WITH PROJECT FINANCE

- **Local Cost Financing**
- **Capitalized interest during construction**
- **Maximum credit terms allowed by OECD**



EX-IM BANK PROJECT FINANCE RESULTS

- 32 projects
- \$8 billion financed
- \$34 billion total project costs
- 7 new projects under review
- Power
- Oil & Gas
- Mining
- Telecom
- Petrochemicals
- Manufacturing



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